

NEW YORK
LONDON
SINGAPORE
PHILADELPHIA
CHICAGO
WASHINGTON, DC
SAN FRANCISCO
SILICON VALLEY
SAN DIEGO
LOS ANGELES
BOSTON
HOUSTON
DALLAS
FORT WORTH
AUSTIN

DuaneMorris®

FIRM and AFFILIATE OFFICES

LAWRENCE J. KOTLER
DIRECT DIAL: +1 215 979 1514
PERSONAL FAX: +1 215 689 2746
E-MAIL: LJKotler@duanemorris.com

www.duanemorris.com

HANOI
HO CHI MINH CITY
SHANGHAI
ATLANTA
BALTIMORE
WILMINGTON
MIAMI
BOCA RATON
PITTSBURGH
NEWARK
LAS VEGAS
CHERRY HILL
LAKE TAHOE
MYANMAR

ALLIANCES IN MEXICO

November 10, 2022

VIA E-MAIL AND CM/ECF

The Honorable Judge Louis A. Scarcella
United States Bankruptcy Judge
United States Bankruptcy Court
Eastern District of New York
Alfonse M. D'Amato Federal Courthouse
290 Federal Plaza
Central Islip, NY 11722

Re: In re Broadbridge LA LLC, Case No. 22-72048 (LAS) (the "Chapter 11 Case")

Dear Judge Scarcella:

Consistent with Mr. Nash's desire to keep the Court apprised of developments concerning this Chapter 11 Case, we respectfully submit this letter to inform the Court of the below facts. In short, the \$9.5 million deposit due under the Debtor's purported sale contract has not been paid, and Mr. Nash represented in writing that if it was not paid by today at Noon, which it was not, that the sale contract would terminate. The relevant facts are:

- On October 31, 2022, Mr. Nash submitted a letter to the Court, filed at ECF No. 54, representing that Quintin E. Primo III "confirm[ed]" that the Deposit of \$9,500,000 is scheduled to be funded into escrow this week," meaning the week of October 31, 2022. Despite that representation, the deposit was not funded the week of October 31, 2022.
- At last week's status conference held before the Court on Friday, November 4, 2022, Mr. Nash he acknowledged that he had not received the deposit but expressed his optimism that the \$9.5 million deposit would be paid either later that day or by the following Monday, November 7, 2022. Despite that representation, the deposit was not funded on November 4th, or by close of business on November 7th.

Duane Morris

The Honorable Judge Louis A. Scarcella
 November 10, 2022
 Page 2

- On November 7, 2022, the Debtor filed the *Debtor's Disclosure Statement Pursuant to Section 1125 of the Bankruptcy Code* at ECF No. 58 (the "Disclosure Statement"). The Disclosure Statement stated that the deposit was not paid due to "certain delays" and that, "[i]f the deposit is not received by November 9, 2022 ..., the Debtor will not proceed with Capri as the buyer." (Disclosure Statement ¶ 58). Despite that representation, the deposit was not funded on November 9th.
- Despite these representations, Mr. Nash sent an email to representatives of the potential purchaser this morning, copying me, extending the deadline to pay the deposit "until 12 noon." Mr. Nash's email unequivocally stated that **"this is the last and final extension and the contract will be terminated at that time without the deposit."** Emphasis added. A true and correct copy of Mr. Nash's email is enclosed herein. Despite Mr. Nash's email, the deposit was not paid by noon today.
- Instead of paying the \$9.5 million deposit in full by noon today, the representatives of the potential purchaser apparently sent a response to Mr. Nash claiming that \$2 million would be paid by 2 p.m. today, with the remaining \$7.5 million to be paid by November 18, 2022 (i.e., well after the due diligence period expires). In any event, even the fraction of the deposit was apparently not paid by 2:00 p.m. today.
- However, the representatives' response is irrelevant because the deposit has repeatedly not been paid, and as represented by Mr. Nash, the sales contract was to concurrently terminate with the failure to fund today by Noon. We understand that, despite his unequivocal "last and final" representation, Mr. Nash has apparently agreed to have the deposit paid as described in the immediately above bullet point.

Given the above facts, the Secured Creditor's position is that there is no viable sale with respect to this specific purchaser.

Very truly yours,

/s/ Lawrence J. Kotler

Lawrence J. Kotler

LJK
 Enclosure

cc: Kevin J. Nash, Esq. (by email and CM/ECF)
 Ted J. Donovan, Esq. (by email and CM/ECF)
 Stan Yang, Esq. (by email and CM/ECF)
 All other parties registered to receive electronic notices (by CM/ECF)

From: Kevin Nash <knash@gwulaw.com>

Date: November 10, 2022 at 7:39:38 AM EST

To: "edecator decatorlaw.com" <edecator@decatorlaw.com>, Quintin Primo <qprimo@capricapital.com>, Joel Schreiber <js@waterbridge.com>

Cc: "Kotler, Lawrence J." <LJKotler@duanemorris.com>

Subject: Contract

Gentlemen

Given last night's communication w Joel, I am extending the deadline for funding the contract until 12 noon , however this is the last and final extension and the contract will be terminated at that time without the deposit. I am copying lender's counsel who is tracking the transaction as well, please be guided accordingly

Sent from my iPhone